

DO I BELIEVE IN THIS BRAND? THE MODERATING EFFECT OF CULTURE ON BRAND CREDIBILITY

¿CREO EN ESTA MARCA? EL EFECTO MODERADOR DE LA CULTURA EN LA CREDIBILIDAD DE UNA MARCA

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Abstract

Previous research has shown the positive effect of enhanced brand credibility on product choice. However, there is substantial need to extend research efforts and test the validity of the existing conceptual models in different cultural settings. Accordingly, the purpose of this investigation is to examine the degree to which the positive effects of brand credibility on consideration and brand choice vary across consumers with different cultural orientations (individualism/collectivism, uncertainty avoidance, power distance) as well as across different levels of brand familiarity (a well-known brand versus an unknown brand). Particularly, this empirical analysis uses survey data on tangible consumer products collected from respondents in Mexico and Germany. The obtained results confirm the positive effects of brand credibility on consideration and purchase for consumers who exhibit higher scores regarding the cultural dimensions of collectivism, uncertainty avoidance and power distance. Furthermore, the analysis implies that, when a new and unfamiliar brand is going to be introduced in countries with such a cultural profile, the company should design marketing strategies that enhance brand familiarity and credibility so that it can take advantage of an additional “cultural bonus” that consumers attach to credible brands in markets characterized by this cultural profile.

Keywords: Brands, Culture, Credibility, Power Distance, Collectivism, Uncertainty Avoidance.

Resumen

Estudios previos han demostrado el efecto positivo que tiene la credibilidad de una marca en la decisión de compra de un consumidor. Sin embargo existe la necesidad de probar la validez de los modelos conceptuales existentes en diferentes culturas. Por lo que el objetivo de esta investigación es analizar cómo el efecto positivo de la credibilidad de una marca puede variar de acuerdo a diferentes características culturales de los consumidores (individualismo/colectivismo, aversión a la incertidumbre/riesgo y distancia del poder) y también de acuerdo al grado de familiaridad de la marca para los consumidores (una marca muy familiar/conocida versus una marca desconocida). Particularmente este análisis empírico se realizó a través de una encuesta sobre productos de consumo tangibles que se aplicó a

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consumidores mexicanos y alemanes. Los resultados confirman el efecto positivo de la credibilidad de una marca en su consideración e intención de compra para consumidores con niveles altos de colectivismo, aversión al riesgo/incertidumbre y distancia de poder. Adicionalmente, este estudio sugiere que cuando una marca nueva/no familiar se introduce en países con el perfil cultural antes descrito, la compañía debe diseñar estrategias de mercadotecnia que incrementen su familiaridad y credibilidad, de tal forma que la empresa pueda aprovechar el “bono cultural” adicional que los consumidores de estos perfiles culturales adjudican a las marcas creíbles.

Palabras Clave: Marcas, Cultura, Credibilidad, Colectivismo, Aversión al riesgo/incertidumbre y Distancia de Poder.

Introduction

Honda- the world's largest manufacturer of motorcycles and also one of the leading automakers- is struggling to gain a significant share of the European Market. Despite its huge success in the North American market, Honda executives wonder why their strategy in Europe did not work very well. Honda's results in this region may be explained by the fact that the company failed to truly understand the culture of Europe, and more importantly, it treated Europe as one big single market (Kotabe & Helsen, 2006). Although France, Germany, the UK, and Italy are all European, there are cultural differences among them. One theoretical framework that might explain the differences between the four nations is Hofstede's seminal work on cross-cultural dimensions (1980, 1984). Hofstede's theory identifies different dimensions of cultures that can be related to consumption and brand preferences (e.g., uncertainty avoidance, collectivism and power distance). For example, France and Germany differ in the cultural dimension of uncertainty avoidance, which is the degree to which individuals accept unpredictable incidents or other new and ambiguous developments. Specifically, the French are generally considered to be risk-averse individuals who carefully evaluate new products and brands and style and image is of utmost importance. On the contrary, German consumers show greater willingness to take risks and to purchase new products and practically and durability are the main concerns of a product. The promotion of Honda's motor vehicles was essentially the same throughout Europe; however its effects were different. While the image of Honda in France was relatively poor, that of a low-quality brand, suitable only for a second car; the image of Honda in Germany was that of a high-quality, reliable brand (Kotabe & Helsen, 2006). This case suggests how consumers from different cultures may vary in their evaluations of the credibility of a particular brand.

Prior research has recognized the relevance of brand credibility as it has been found that brand credibility functions as a signal of the position of a brand and increases perceived quality, decreases perceived risk and

increases consumer expected utility (Erdem & Swait, 1998; Wernerfelt, 1988). As these results are important in local contexts, they become more relevant for firms operating in the global arena. However, previous research in regard to brand credibility has focused mainly on the United States, the exception being work by Erdem, Swait and Valenzuela (2006), who in a cross-country validation study provide evidence that the credibility of a brand becomes more important as the level of uncertainty avoidance and collectivism in a culture increases. Our research seeks to extend the ongoing investigation in this area in the following ways: First, in contrast to previous research that used local brands in their cross-cultural analysis, we used globally recognized brand to facilitate the comparison across cultures. Second, we included unfamiliar (fictitious) brands to be able to test results at different levels of brand familiarity (a well-known brand versus an unknown brand). And third, we measured the cultural dimensions of power distance, collectivism and uncertainty avoidance and tested them separately- instead of just using nationality as a surrogate to the cultural dimensions - to avoid the possibility that these factors may cancel out and the total net effect could not be observed. In particular, this empirical analysis uses survey data on consumer products collected from respondents in Mexico and Germany.

Theoretical Framework

The Effect of Brand Credibility on Consideration and Purchase

One of the numerous effects of today's competitive environment has been the stringent saturation of many markets with almost indistinguishable products and services, which all seem to essentially be offering the same level of functional utility to the consumer (Crimmins, 2000; Gerzema & Lebar, 2008). This exceeding amount of choices has made it much more difficult for any one company to repeatedly provoke, capture and retain the attention of potential customers and thereby effectively differentiate itself from the competition. Meanwhile, from the perspective of consumers, it may often be ra-

ther unclear what exactly the differences between products are and why one should be preferred over the other (Esch, 2008). When consumers are confronted with these types of uncertainties about products and markets are furthermore characterized by asymmetric information distribution, brands potentially serve as signals of product positioning and quality attributes (Wernefelt, 1988). As a relevant signal of product positioning, the most important characteristic of a brand image is its capacity to provide credible information. Although a company may be able to use various marketing-mix elements besides the brand to signal product quality and other characteristics (i.e. high price, unlimited warranty, certain distribution channels), these actions may or may not be perceived as credible by consumers. What differentiates brands apart from their individual marketing-mix elements as credible signals, is that the brands include the cumulative effect of past marketing-mix strategies and activities. Accordingly, Erdem and Swait (2007, p. 679) define a brand's credibility as *"the believability of the product information contained in a brand, which requires that consumers perceive the brand as having the ability (i.e. expertise) and willingness (i.e. trustworthiness) to deliver continuously what has been promised"*.

The credibility of a brand has been shown to be higher for brands with higher marketing-mix consistency over time, because these brands have shown the willingness and expertise of continuously delivering what they promised (Erdem & Swait, 1998). The factors which have been found to impact brand credibility are: the perceived quality of the brand, the perceived risk associated with the brand, and the information costs saved with that brand (Erdem & Swait, 2004). As these issues are relevant for understanding customer behavior within a culture, they gain more importance for companies operating in different cultural settings.

Research has explored the role of brand credibility on brand choice and has found that brand credibility improves the chances that a brand will be included in the consideration set (Erdem, Swait & Louviere, 2002; Erdem & Swait, 2004; Foscht & Swoboda, 2004). Within the context of consumer decision making models, the consideration set refers to the specific brands in a particular product category considered when making a purchase choice: it consists of the small number of brands the consumer is familiar with, remembers and finds acceptable. It is essential that a product be a part of a consumer's consideration set if it is to be considered for purchase (Schiffman & Kanuk, 2010).

In summary, previous findings suggest that if a brand is able and willing to continuously deliver what it has promised, the resulting enhanced credibility of the brand

will positively affect the chances that the brand will be considered when making a choice and subsequently increases the intention to purchase the brand. Thus we hypothesize the following:

H1: Higher brand credibility increases the consideration and purchase of a brand

The meaning and credibility of a brand cannot be automatically manufactured or installed by a company, but rather has to establish itself from within the associations, beliefs and emotions shared by the brand's users (Batey, 2008). All the while, one also needs to take into account that a person's attitudes, behavioral tendencies, decision-making processes and ultimately reactions to marketing stimuli are a complex construct of personal disposition, character and cultural influences (Scheier & Held, 2008). Although advocates of globalization postulate that "everything is global" (Levitt, 1983, p.93), corporations pursuing an internationalization strategy must neither automatically assume that the level of consumer reliance on brands as signals is a universal phenomenon, nor that sociocultural characteristics or predispositions do not need to be considered (Erdem, Swait & Valenzuela, 2006; Kapferer, 2005). Furthermore, the nature of the product itself- distinguished by certain degrees of consumer involvement, the extent of readily obtainable product information as well as possible patterns in consumption history- may affect the amount of influence, brands as signals of credibility can actually exert on a customer's potential sensitivity to uncertainty (Ubel, 2009). Brands carry a highly implicit amount of meaning in them, whose possible interpretation varies greatly depending on the context of their use as well as depending on the psychological and sociocultural backgrounds to which their users belong (Haeusel, 2002). Thus, it can also be stated that the degree to which brand signals will actually aid a person in overcoming states of ambiguity may fluctuate significantly with regard to the consumer's personal and cultural background (Erdem & Swait, 2004; Erdem, Swait & Valenzuela, 2006). We address this issue in the following section.

Cultural Dimensions as Moderators of Brand Credibility Effects on Consideration and Purchase

Relatively few prior studies have explicitly investigated the use of brands as signals of product position across cultural dimensions and/or countries, with those that have, such as Dawar and Parker (1994) or McGowan and Sternquist (1998), focusing on comparisons of highly industrialized nations with developed markets supported by effectively and efficiently functioning institutional

frameworks. Hofstede's (1980, 1984) influential work on cross-cultural value systems identifies various distinct aspects of cultures which may be related to brand choice (e.g. collectivism/individualism, uncertainty avoidance, and power distance). While Hofstede's research was originally conducted in organizational settings, his findings have nevertheless often been associated with consumer behavior, such as country-of-origin effects on product evaluations (Gurhan-Canli & Maheswaran, 2000), persuasion effects (Aaker & Maheswaran, 1997) as well as intercultural marketing management (Emrich, 2007). Considering the interest on brands as signals of credible information pursued by this research paper, we will rely on Hofstede's framework for cultural assessment and identify how the cultural dimensions of individualism/collectivism, uncertainty avoidance and power distance impact the effect of brand credibility on consideration and purchase. Consequently, this paper provides a description of each of these dimensions as well as their hypothesized effects.

Individualism / Collectivism

Individualism and collectivism are often contrasted directly as they represent two very distinct tendencies regarding the level of orientation towards and integration into different groups within a society. Furthermore, these cultural dimensions also carry reference to the extent to which people are generally expected to subordinate their personal wishes for the greater good of group-welfare. Such groups are relatively wide-ranging in nature and may include families, larger circles of friends and acquaintances, work-related teams or other forms of business partnerships (Hofstede, 1980, 1984). While Latin American countries are generally seen as relatively collectivistic, Anglo-influenced countries are perceived as rather individualistic societies. In this context, it has been shown by Emrich (2007) that cultures with relatively higher scores on collectivism tend to develop stronger preferences for established and well-known brands, which symbolize status, group membership and specifically group identity. Consumers in more individualistic cultures, on the other hand, appear to be seeking variety, newness and hedonic experiences that define a consumer's individual uniqueness, personality and special interests through singular brands, promising a reward or gratification to the individual.

On the specific subject of brands as signals of product information, prior research by Erdem, Swait and Valenzuela (2006) suggests a significant role of brand credibility in reinforcing group identity. Furthermore, it was also shown in this study that brands, which are perceived as reliable and credible, allow consumers in collectivis-

tic societies to use various distinct low-cost sources of information- such as, word-of-mouth or personal recommendations- to communicate product information among them. Consequently, consistent with the aforementioned research, this paper proposes that more pronounced collectivism increases the positive effects of brand credibility on consideration and purchase intentions.

H2: The effect of brand credibility on consideration and purchase is higher for individuals who rate high in collectivism compared to those with lower collectivism scores.

Uncertainty Avoidance

In general terms, the cultural dimension of uncertainty avoidance refers to the degree to which a society or individual members of a society are accepting of unpredictable incidents in the future or other potentially uncertain and ambiguous developments. Often, it is also regarded as an indicator of how comfortable or uncomfortable members of a society become in cases of highly structured or highly unstructured situations. Cultures ranking high on the scale of uncertainty avoidance tend to implement strict laws, codes, safety and security measures as well as other rules designed to guide the general behavioral trends within that society. In addition, cultures with a high uncertainty avoidance score are predisposed to holding rather strong religious or philosophical beliefs and are inclined to rely on a higher power to guide them in their respective tasks (Hofstede, 1980, 1984). People from cultural backgrounds with higher levels of uncertainty avoidance are also said to be more likely to act rather emotionally and out of intrinsic principles, whereas cultures on the other end of the spectrum tend to be phlegmatic and contemplative, sometimes even passive or unemotional. From a marketing perspective, it appears probable that the cultural dimension of uncertainty avoidance is the most relevant of the 3 mentioned constructs, because it potentially contains the most differences across cultures as well as product categories. Moreover, in this context it is to be expected that consumers with high levels of uncertainty avoidance are relatively averse to risk and general newness and thus prefer familiar brands (Dawar & Parker, 1994), since such brands suggest lower perceived risk and information cost (Erdem, Swait & Valenzuela, 2006). Hence, we forward the following hypothesis:

H3: The effect of brand credibility on consideration and purchase is higher for individuals who rate high in uncertainty avoidance compared to those with lower uncertainty avoidance scores.

The dimension of power distance refers to the extent to which members of a society with relatively less influence accept the fact that there is an unequal distribution of authority within that society's organizations and institutions. Societies with a low power distance score tend to be more consultative and democratic in the sense that people relate to each other as equals regardless of their authoritarian position (Hofstede, 1980, 1984). For example, subordinates tend to be relatively comfortable when questioning the decisions of superiors and they generally exhibit a tendency to demand the right to participate in meetings or other official dealings. Conversely, societies with a relatively high score on the power distance index tend to be more autocratic and paternalistic in the sense that subordinates accept the authority of others, even if such power is simply based on hierarchical positions and not necessarily on merit or other explicit skills and qualifications. As a contrasting example to the more democratic low power distance cultures, one might consider the behavior of individuals during meetings in high power distance societies: subordinates are often not expected to actively participate and if they nevertheless do, such unusual and disruptive behavior may be frowned upon by other members of the group.

Research has shown that brand images, which are able to support membership in specific social groups and portray a relatively high overall social status, seem to be more relevant to consumers in cultures with higher scores on the power distance construct. Evidently, differences in social class and the related level of power may be communicated to other individuals within a specific society through consumption decisions (Hofstede, 1984; Roth, 1995). Hence, the following hypothesis is forwarded:

H4: The effect of brand credibility on consideration and purchase is higher for individuals who rate high in power distance compared to those individuals with lower power distance scores.

Furthermore, this research proposes that the specific effects described in hypotheses H2 to H4 will be amplified if the brand is familiar (known) for the consumer. In this context, we develop this argument to sustain such a prediction in the following section.

Brand Familiarity

Given the progressing saturation of most international markets with largely homogenous products and services, previous research has identified brand familiarity as a ne-

cessary prerequisite for the formation of customer-based brand equity (Keller, 2008; Tam, 2008). In this context, brand familiarity has generally been defined as the number of experiences consumers have accumulated with the respective brand over time (Alba & Hutchinson, 1987; Biswas, 1992; Tellis, 1997). Furthermore, Campbell and Keller (2003) propose that brand familiarity incorporates category-specific structures of brand awareness and knowledge within a consumer's memory, which have been established in the form of relevant brand associations based on prior exposure to advertising stimuli, interactions with sales personnel, word-of-mouth communication as well as consumption and usage of a particular brand.

Previous research has demonstrated that heightened brand familiarity may positively influence a consumer's willingness-to-pay (Hardesty, Carlson & Bearden, 2002), increase advertising effectiveness (Campbell & Keller, 2003), allow for more distinct brand claim memorability and recall characteristics (Kent & Allen, 1994; Pae, Samiee & Tai, 2002), reduce the need for and cost of information search (Biswas, 1992; Ya & Perks, 2005) as well as facilitate a consumer's overall decision-making process (Bettman & Park, 1980; Biswas, 1992; Dawar & Lei, 2009). Moreover, prior studies have also revealed that brand familiarity may even act as a buffer against adverse effects of negative brand information as consumers, who have already had positive experiences with a brand, tend to primarily defend an original attitude by searching their respective memories for favorable brand associations (Dawar & Lei, 2009; Pham & Muthukrishnan, 2002). As such, familiar brands and their adhesive underlying connotations represent influential variables which determine the perception of brands as signals of credible information. Accordingly, our research predicts that the amount of familiarity consumers attribute to well-known brands increases the positive effects of brand credibility on consideration and purchase across the cultural dimensions of collectivism, uncertainty avoidance as well as power distance.

H5: The impact of the cultural dimensions described in H2 to H4 on consideration and purchase is stronger for well known (familiar) brands compared to unknown (unfamiliar) brands.

Methodology

Differences in the way brands are recognized as signals of credible information were explored among a sample of 103 young adults (22-35 years old) from Germany and Mexico, with an equal distribution of the respondents regarding nationality and gender. These two countries

were selected in order to represent a distinction in those of Hofstede's (1980, 1984) cultural dimensions that previous research (Erdem, Swait & Valenzuela, 2006) determined to be most relevant in regard to brand credibility, specifically power distance, individualism/collectivism and uncertainty avoidance.

Based on the findings by Hofstede (1980, 1984) the description of cultural differences between Germany and Mexico is provided in table 1.

Table 1. Cultural Dimension Scores for Germany and Mexico.

Cultural Dimension Scores		
	Germany	Mexico
Power Distance	35	81
Individualism/Collectivism	67	30
Uncertainty Avoidance	65	82

Source: based on Hofstede, 1980, 1984

The respective scores along the three cultural dimensions indicate that there are pronounced observable differences between the societies in Germany and Mexico, not only due to a geographic-location. Countries in Latin America generally tend to rank higher on collectivism and uncertainty avoidance than European nations.

It is noteworthy that the Mexican society shows a much higher score on the power distance index, suggesting that its citizens tend to favor hierarchical structures over more egalitarian or democratic ones in their interpersonal relationships as well as in their decision-making processes. Additionally, inequality in the distribution of power is supposed to be rather widely accepted, whereas authority without ratification seems to be a relatively more questionable construct in Germany. Furthermore, high-power-distance cultures are supposed to emphasize the importance of social classes with a focus on differences in wealth, prestige and/or general status.



Moreover, Germany shows a higher score in reference to individualism/collectivism which demonstrates a looser structure of groups and associated norms as well as less importance concerning the perception of an individual as a member of a specific group. German citizens tend to think of themselves more as individual persons and place higher value on their own personal success, development as well as self-defined choices while Mexicans are said to put their personal interests behind those of their closest in-groups, such as for example extended family, and are more susceptible to opinions formed within those groups. In this context, it is commonly impor-



tant to Mexicans to demonstrate group-membership or other affiliations to society in general, which also leads to a more pronounced dependency on group behavior in decision-making processes. Loyalty to a group and personal behavior in accordance with the specific values of a group takes priority over dissenting opinions and consensus is much more valuable in the Mexican society than in the German one.

Lastly, the relatively high score for Mexico on the construct on uncertainty avoidance indicates the society's relatively low level of tolerance for ambiguity and unpredictability in future developments. As has been stated above, to avoid and counteract such uncertainty, there is a supposed tendency to implement strict laws, policies, official regulations and other rules with the "*ultimate goal of the population to control everything in order to eliminate the unexpected*" (Hofstede, 2009, internet presence). In comparison to Mexico, Germany shows a relatively lower score in regard to uncertainty avoidance, which indicates that this society values the foreseeable future but is also open to new ideas. In accordance with these observations, it should furthermore be noted, that societies with a high uncertainty avoidance score are assumed to be relatively more adverse to risk and a pronounced perception of risk may greatly influence a person's (in individualistic societies) or a group's (in collectivistic societies) decision-making.

The required data was collected with the help of a questionnaire administered via the internet in which each respondent was asked to provide information concerning his/her cultural background and the evaluations of two distinct brands in two different product categories: energetic drinks and computers. To capture varying degrees of potential uncertainty (different level of brand familiarity), one of the brands in each product category was fictitious while the other represented a well-known global trade name. Whereas energy drinks were chosen to represent products with relatively low customer involvement, the category of laptop computers was selected for the high-involvement end of the spectrum. We chose a design with both low and high involvement tangible consumer products in order to test our propositions covering a broad type of product categories. A representation of the products/brands used in the study is provided in Figure 1.

Figure 1. Products and Brands tested in the survey

	Red Bull		HYPE ENERGY
US\$ 2.49		US\$ 1.79	
€ 1.79		€ 1.19	
Mex\$ 34		Mex\$ 22	

	ERIE		SONY VAIO
US\$ 1 399		US\$ 2 099	
€ 999		€ 1 499	
Mex\$ 18 499		Mex\$ 27 749	

The representation of brands consisted of a name, a logo and a picture. For the familiar brands, Red Bull and Sony, we used their name, official logos and pictures obtained from online catalogs. Contrastingly, in order to assure complete unfamiliarity with the opposing brands, 2 new brands, Hype for the energetic drinks category and Erie for the laptop segment, were invented. The logos of these brands as well as their respective images were developed by a professional designer. The pursued idea was that while these brands might appear unfamiliar to consumers, they potentially seemed real.

We also included the price as another salient characteristic in each product option because it is an important attribute consumers take into consideration. Also, it is usually positively correlated with brand credibility in the sense that, a higher credibility asset of a brand, higher is the price- thus if price is omitted in the design then estimators would be biased (overestimation in a regression context). Besides, including prices in the survey facilitates consistency of this research with previous research testing brand credibility effects on consumer choice (Erdem & Swait, 2004, 2007). For familiar brands we used their regular prices from their respective online catalogs, for the unfamiliar (fictitious) brands we applied a discount to the order of 30 to 33% so as to partially compensate for the disadvantage of being unfamiliar to consumers.

The survey contains 9 items regarding personal information, 15 items measuring the three cultural dimensions according to Hofstede's scales, 10 items about brand knowledge and brand credibility and 5 questions measuring consideration and purchase. The scales for brand knowledge, brand credibility and consideration and purchase were taken from Erdem et.al. (1998, 2002, 2004, 2006).

Table 2. Brand Constructs

Construct	Measurement Items
Brand Knowledge	1. I know this brand very well.
	2. I use this brand very often.
Brand Credibility	3. This brand reminds me of someone who is competent and knows what he/she is doing
	4. This brand has the ability to deliver what it promises.
	5. This brand's product claims are believable.
	6. Over time, my experiences with this brand have led me to expect it to keep its promises, no more and no less.
	7. This brand is committed to delivering on its claims, no more and no less.
	8. This brand delivers what it promises.
	9. This brand has a name you can trust
	10. This brand does not pretend to be something that it really isn't.
Consideration & Purchase	11. I would never buy this brand. (R)
	12. I would seriously consider purchasing this brand.
	13. I would be highly likely to purchase this brand.
	14. I would be highly likely to recommend this brand to others.
	15. I believe this brand is very unique.
Uncertainty Avoidance	16. Security is an important concern in my life
	17. Life is so uncertain that one must continuously be on the alert so as not to be caught at a disadvantage.
	18. It is important to consider different views when making personal and social decisions.
	19. I like sharing little things with my neighbors
	20. Being a unique individual is important to me. (R)
Individualism/Collectivism	21. I like sharing little things with my neighbors
	22. Being a unique individual is important to me (R)
	23. Decisions reached in groups are better than those reached by single individuals.
	24. I usually sacrifice my self-interest for the benefit of my group.
	25. I'd rather depend on myself than on others. (R)
	26. It is important to me to be useful to others.

Power Distance	27. One's boss is a person just like oneself. (R)
	28. Bosses are always inaccessible and distant.
	29. The way to change a society is to make everyone equally powerful. (R)
	30. The other people are a threat to one's power and cannot be trusted.

Table 2 shows the 8 different constructs used in the study: brand knowledge, brand credibility, perceived quality, information costs saved, lower perceived risk, relative price, consideration and purchase. Individual responses were measured through a questionnaire containing a total of 122 items, with all except one of the items assessed on a 9-point "strongly disagree/strongly agree" scale. An (R) after an item serves to indicate that it had to be reversed before its actual use in the analysis. Lastly, a validation procedure ensured reasonable levels of scale reliability in each of the 8 constructs (all Cronbach's Alpha >0,70).

While perhaps a randomized sample from different locations nationwide in Mexico and Germany would be the ideal design for research of this kind, time and cost restrictions rather strongly suggest the use of online surveys. Although online surveys may often not be considered as precise as individualized face-to-face interviews, their precision level is nevertheless generally regarded to be at least as good as that of traditional mail surveys (Deutskens, Jong, Ruyter & Wetzels, 2006). Moreover, the use of online surveys allows easy access to samples in cross-countries studies and facilitates timely responses (Ibid.).

Analysis and Results

The uncertainty avoidance, power distance and collectivism cultural constructs were measured using the average and/or the sum of the items of the Hofstede (1980, 1984) scales. Moreover, we also used the average and/or the sum of the items researched by Erdem and Swait (1998) for brand credibility, consideration and purchase as well as their respective mediators: information cost saved, perceived risk and perceived quality.

A simple one way ANOVA of the cultural constructs by nationality revealed that there is no significant difference between respondents from Mexico and Germany—neither regarding uncertainty avoidance ($F=1,57$, $p>0,05$) and power distance ($F=0,024$, $p>0,05$), nor collectivism ($F=1,382$, $p>0,05$). Although unexpected, it is not entirely unusual that cultural differences do not become clear when using two samples of subjects of different nationalities (Algesheimer & Gurau, 2008). In this particular stu-

dy, we suspect that the similarity of individual subjects' profiles (young age, high education, internet-savvy) to be the main reason for these insignificant differences in mean cultural dimensions across both samples. Therefore, in the rest of the analysis we used the pooled sample when measuring the cultural dimensions.

Familiarity was manipulated in the survey including well-known familiar brands and unfamiliar fictitious ones. As had been expected, brand credibility was significantly higher for familiar rather than unfamiliar brands. Table 3 provides the mean scores of brand credibility and consideration and purchase for the three conditions manipulated in the survey: the level of consumer involvement in each category, the familiarity conditions of the brands as well as the nationality of the subjects.

Table 3. Means of main variables by manipulation condition

	Brand Credibility	Consideration of Purchase
Involvement		
Low	4,4	4,6
High	5,3	5,5
Brand		
Familiar	6,2	6,1
Unfamiliar	3,5	4,0
Country		
Mexico	4,9	5,2
Germany	4,8	4,9

The brand credibility means for the low involvement categories were inferior to the mean scores of high involvement categories ($F=19,7$; $p<0,05$); a similar result occurred was obtained for consideration and purchase ($F=18$; $p<0,05$). Moreover, also expected, the mean scores of brand credibility as well as consideration and purchase for unfamiliar brands were lower than the means for the familiar brands ($F=162,5$ & $F=251$; both $p<0,05$). Finally, both dependent variables seem to be very similar across cultures ($F=2,53$ & $F=0,09$; both $p>0,05$).

As suggested by this model, our proposition is that cultural differences in uncertainty avoidance, power distance and collectivism among individuals moderate the effect of brand credibility on consideration and purchase. To provide some descriptive evidence of this proposition, we present the means of consideration and purchase for each low and high condition of brand credibility and every cultural dimension in Table 4.

Table 4. Mean of Consideration and Purchase according to Brand Credibility and Cultural Variables

		Brand Credibility	
		Low	High
Uncertainty Avoidance	Low	4,4	5,8
	High	4,0	6,3
Power Distance	Low	4,4	5,6
	High	4,0	6,4
Collectivism	Low	4,2	5,7
	High	4,2	6,5

Each observation is coded as high (low) in brand credibility if its score is above (below) the pooled brand credibility across the whole sample and all the products and categories evaluated by the subjects. We constructed the low-high levels of any cultural variable in the same way.

The simple inspection of the means suggests that consideration and purchase does not change significantly, when varying across low and high conditions in every cultural dimension. However, the change in consideration and purchase when brand credibility passes from low to high is larger in those cases in which uncertainty avoidance, power distance and collectivism are also increased. For example, the mean of consideration and purchase rises as brand credibility increases by 53%, 91% and 46%, when uncertainty avoidance, power distance and collectivism are higher than when they are lower.

Indeed, a simple 2x2 ANOVA between consideration and purchase as dependent variable and brand credibility and each cultural dimension taken individually as independent variables confirms what the simple comparison of means suggested.

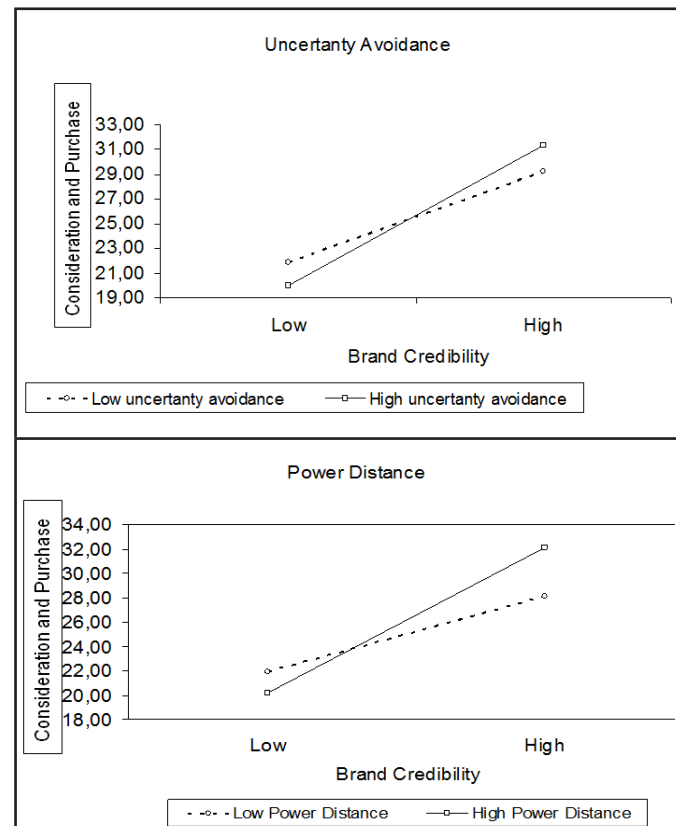
Table 5. 2x2 Brand Credibility x Cultural Dimension ANOVA on Consideration and Purchase

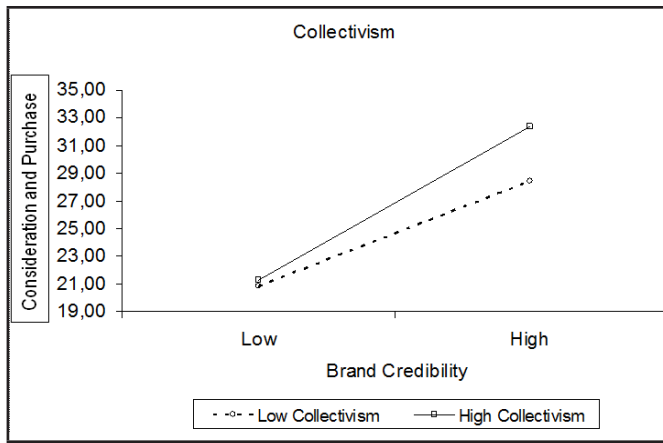
	F	p-value
Brand Credibility	107,6	0,00
Uncertainty Avoidance	0,0	0,87
Brand Credibility x Uncertainty Avoidance	4,8	0,03
Brand Credibility	106,2	0,00
Power Distance	1,7	0,19
Brand Credibility x Power Distance	10,4	0,00

Brand Credibility	111,4	0,00
Collectivism	6,0	0,01
Brand Credibility x Collectivism	3,9	0,05

Table 5 presents the ANOVA tests for the marginal and interaction effects showing that (1) brand credibility has a strong marginal effect on consideration and purchase; (2) only collectivism presents a significant marginal effect; (3) but all the cultural dimensions' interactions with brand credibility are significantly different from zero at 5%. Figure 2 presents the plots of brand credibility means according to the level of each of the cultural dimensions, showing that the slope of brand credibility tends to be larger for higher cultural dimension scores, i.e. the effect of brand credibility on the consideration and purchase is larger for individuals with higher rates in uncertainty avoidance, power distance or collectivism.

Figure 2. Marginal Means of Consideration and Purchase by Brand Credibility and Cultural Dimensions





In order to combine all these effects, we ran some regression models. Table 6 presents the regressions of consideration and purchase on brand credibility and the interaction for brand credibility and each cultural dimension, controlling just by country in regressions (1) to (6) and also for the familiarity brand conditions in regressions (5) and (6).

Regarding marginal effects, the positive and strong effect of brand credibility on consideration and purchase appears significant, i.e. brand credibility is in all cases a strong antecedent. None of the marginal effects of the cultural variables were significant, nor the interaction effects in regression (1). However, this is the effect of the strong multicollinearity that is induced when all cultural interactions are tested in the same regression. As an insight of the degree of collinearity among the regression in equation (1), the R^2 of each of the cultural variable interactions in regard to the rest of the independent variables are in the range of 75% to 86%, indicating that the variance of the estimates are 4 to 8 times of what would prevail if the independent variables were orthogonal.

One form to deal with multicollinearity is to impose some restrictions and the obvious one deduced from regression (1) is that uncertainty avoidance and power distance estimates are of the same magnitude. Thus, regression (2) presents the case where only two interactions are tested, one for the uncertainty avoidance and power distance construct and the other for collectivism. Regression (3) deletes collectivism and regression (4) allows for a wide cultural index, the sum of the three cultural dimensions. In all these cases, at least uncertainty avoidance and power distance combined interaction with brand credibility is positive and significantly different from zero with at least 10%. The main conclusion of these exercises is that indeed evidence is consistent with the fact that brand credibility is more influential on consideration and purchase for individuals who rate higher in uncertainty avoidance, power distance and collectivism (if we take

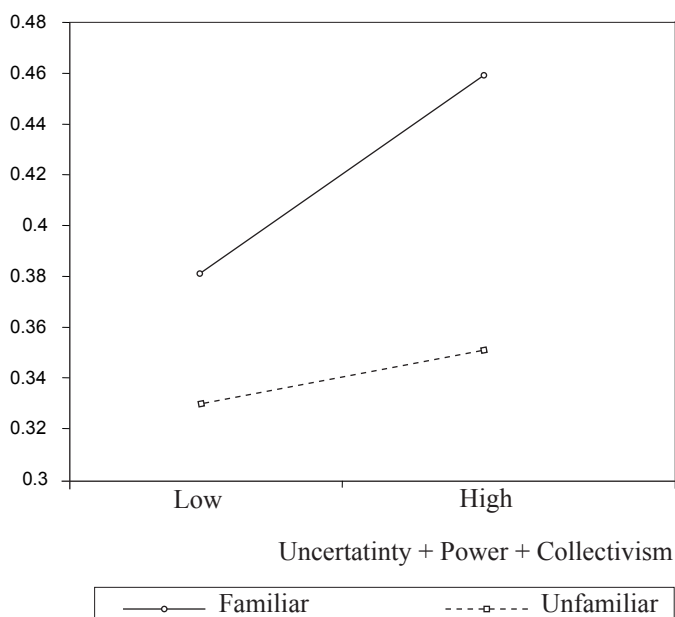
regression (4), than for those who rate lower in these cultural dimensions.

Finally, we allow for differentiated levels of interactions between brand credibility and the cultural dimensions for well-known, familiar brands as represented by Red Bull and Sony, and the unfamiliar (fictitious) ones Hype and Erie in regressions (5) and (6). The negative sign of the double interaction suggests that even when brand credibility is more important for subjects who rate higher in the cultural dimensions studied, the increase of the importance of brand credibility is larger only for well-known familiar brands. For the unfamiliar (fictitious) brands, the increase in the brand credibility effect is notably smaller. Figure 3 shows the plot of the slope of brand credibility for the minimum, median and maximum cultural index (the sum of the three variables) for the familiar and unfamiliar conditions, making clear that the importance of the brand credibility effect that is larger for the familiar brand condition. In other words, the increase in brand credibility is minor or marginal if subjects are facing really new, unfamiliar (or even fictitious) brands.

Table 6. Regressions of Consideration and Purchase on Brand Credibility and Cultural Interactions

	[1]	[2]	[3]	[4]	[5]	[6]
Constant	10.59326***	10.59277***	10.52207***	10.58637***	12.32043***	12.45936***
Country	-1.591584**	-1.591201**	-1.553807**	-1.587911**	-1.65429***	-1.700214***
Brand Credibility	0.329228***	0.329228***	0.345357***	0.332772***	0.328762***	0.312342***
Cultural Interactions	0,002449					
Uncertainty Avoidance						
Power Distance	0,002439					
Collectivism	0,000608	0,00061				
Uncertainty Avoidance + Power Distance		0.002444*	0.002556**		0.002542**	
Uncertainty Avoidance + Power Distance + Collectivism				0.001536*		0.001578*
Cultural and Unfamiliar Brands Interactions						
Uncertainty Avoidance + Power Distance- Unfamiliar Brands					-0.001914***	
Uncertainty Avoidance + Power Distance + Collective – Unfamiliar Brands						-0.001052***
R2	0,602419	0,602419	0,602212	0,60162	0,614911	0,615384
Adjusted R2	0,597522	0,598511	0,599287	0,598691	0,611126	0,611604
F	123.035***	154.1725***	205.8904***	205.3825***	162.4746***	162.7995***

Note: *** significant at 1%, ** significant at 5%, * significant at 10%

Figure 3. Marginal Means of Consideration and Purchase by Brand Credibility and Familiarity

Discussion

This paper investigated the effects of brand credibility on consumer choice through the cultural constructs of power distance, collectivism/individualism and uncertainty avoidance. For this purpose, two countries with different cultural backgrounds, namely Germany and Mexico, were investigated in regard to their respective perception of four consumer brands which varied in their level of newness. We found evidence that supports our hypotheses and led to the following conclusions: (1) brand credibility increases the consideration and purchase intention of a brand; (2) this positive relationship between brand credibility and consideration and purchase intention is stronger for consumers who rate higher in uncertainty avoidance, power distance and/or collectivism cultural dimensions; and (3) this interaction effect is salient only if the brands familiar are for consumers.

Therefore, if new unfamiliar brands are introduced in markets with high levels of uncertainty avoidance, power distance or collectivism, the company must design stra-

tegies to take advantage of the cultural “bonus” consumers attach to credible brands, although it is primarily necessary to achieve an acceptable level of familiarity in order to take advantage of these cultural dimensions. One strategy oriented toward this goal is to develop communication strategies aimed at building brand familiarity, expertise and trustworthiness. In this context, advertising might prime uncertainty avoidance into consumers’ minds, manipulating risk perception in the marketing messages; priming collectivism by showing families or other social relevant networks of individuals consuming the product as well as priming power distance by including figures or characters which signal hierarchical structure and power. Another possible strategy is to relate the brand to credible, familiar brands that can nourish the new brand with positive associations. For example, a new car could be sold through a well-known, familiar and already credible intermediary or with the help of endorsements by well-known local celebrities to whom the potential consumer holds positive attitudes.

The results also suggest that sales might have to be concentrated in relatively few point-of-sale locations in countries that are salient in collectivism, uncertainty avoidance and power distance due to the importance respective consumers attribute to brand credibility. That is, consumers in these countries should tend to be less variety seekers and less prone to take risks in testing new brands, which may result in important competitive advantages and larger market shares for sellers, who primarily focus on establishing their individual brand’s credibility. In this context, regulatory bodies should also be advised in advance in order to prevent supposedly credible sellers from exploiting their more pronounced power (e.g. large markups on marginal costs). Also, public policy should seek ways to promote competition efficiently among established and newcomer brands, which might be of a similar high quality as the ones which were already able to gain a status of credibility with consumers.

There remain some issues about the moderating role of cultural dimensions. Some of Hofstede’s other less-cited cultural dimensions, such as short and long-term orientation and masculinity/femininity, should also be tested in a marketing context. Alternatively, a robust analysis of culture in the relationship between brand credibility and consideration and purchase would need to take into account other cultural approaches besides Hofstede’s theory. One model, which may potentially provide researchers with fascinating insights, is the one proposed by Hall (1976), who specifically differentiates between high and low context cultures, depending on the importance of contextual meaning as cues in regard to understanding messages as well as further signaled information.

So far, in this study as well as in the reviewed literature, only tangible consumer products have been investigated. In light of these limitations, it would be important to extend the study of cultural dimensions to industrial products and intangible services. Finally, the study of cultural dimensions and brand credibility could gain more support, if we gathered experimental evidence in which we could control more variables than we could in this study, such as the profile of the respondents (e.g. age, social status) and thus we get a more representative sample of the considered cultures.

The marketing discipline seems to have taken a turn towards understanding the importance of brands from the perspective of the consumer. As indicated in this paper, information is processed implicitly, based on predetermined interpretations of cultural network concepts. In this context, it is highly important for companies to understand how to actually connect to consumers considering their particular cultural dimensions and subsequently search for ways to strengthen a credible, positive image in the mind of these consumers. An image, that leads to preference and choice.

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